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To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

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STATUS REPORT – WORKERS’ COMPENSATION CLAIMS ADMINISTRATION SYSTEM CONVERSION AND REQUEST FOR PROPOSALS

On February 28, 2012, the Board approved the recommendation to execute a sole source contract with P&C Insurance Systems, Inc. (PCIS), for application hosting and maintenance services to support the workers’ compensation claims administration system and a conversion to a system with a relational database. At that time, the Board instructed the Chief Executive Officer (CEO) to immediately initiate the Request for Proposals (RFP) process for a workers’ compensation claims administration system and to report back in July 2012, and every six months thereafter, on the status of the RFP development and the conversion of the current workers’ compensation system to a relational database system. This is the ninth and final bi-annual status report to the Board.

Conversion of Genlris to ClaimsVision

On November 9, 2015, ClaimsVision went into production mode. As of June 30, 2016, the ClaimsVision system has issued over 333,000 workers’ compensation payment request transactions totaling over \$203 million. During this period, CEO and PCIS continued to monitor the system and applied updates to address performance, data, business rule, workflow, and reporting issues. Currently, the system is used to administer approximately 30,000 workers’ compensation claims with approximately 300 users utilizing the system to manage those claims.

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Conversion of GenIris to ClaimsVision (Continued)

ClaimsVision is a relational database system that replaces the GenIris for Windows (GIFW) flat file system. As such, it improves portability and data management flexibility. The move to ClaimsVision will allow the CEO to smoothly transition to a comprehensive Risk Management Information System in the future. In addition, ClaimsVision establishes a single interface with eCAPS, removing the use of complex mainframe programs to facilitate the transmission of payment data.

The ClaimsVision system improves program fiscal controls by providing the following:

- Digital fingerprinting of the payment processing transaction.
- Identification of payment transaction requests that may result in a duplicate payment at the time of authorization.
- Identification and prohibiting payment transaction requests that exceed the user's authority level at the time of processing.
- Enhanced security profiles to limit menu privileges based on predefined user groups.
- Direct interface with the County eCAPS system that avoids potential data file corruption and improves payment transaction integrity.

Though system monitoring will continue, this is the last update on the GenIris to ClaimsVision conversion.

RFP for Comprehensive Risk Management Information System

As previously reported, CEO analyzed the current risk management information systems and recognized the need to procure and implement a comprehensive Risk Management Information System. This comprehensive system will provide management of the following information systems;

- Claims Management (including general, medical malpractice, auto, and small claims);
- Workers' Compensation;
- Loss Control and Prevention;
- Disability Management;
- Risk Compliance Management for Inspector General; and
- E-Billing/Matter Management for County Counsel.

RFP for Comprehensive Risk Management Information System (Continued)

General requirements and capabilities have been identified as follow:

- Track of data necessary for County analysis and determination of the best and most cost-effective risk methods;
- Provide a claim management system that may be used by Third-Party Administrators (TPAs), as well as internally for self-administration of claims and lawsuits;
- Matter management system integration for tracking of counsel's time and billing practices;
- Provide a robust document management system to allow for a paperless environment;
- Import/Export data from TPAs' claims systems, where appropriate;
- Provide an effective tool to monitor County TPAs' performance;
- Provide opportunity for County departments to immediately and electronically forward reports of third party injuries or significant property damage to County management and TPAs for immediate attention;
- Identify significant risk exposure and loss trends to effectively target loss prevention programs;
- Ensure accuracy and completeness of data;
- Have financial accounting capabilities to track subrogation recoveries, credits, and/or contributions;
- Integrate with eCAPS for payment issuance;
- Provide case management tools for CEO Risk Management Branch and County Counsel to effectively manage claims from inception to completion;
- Incorporate all aspects of Risk Management, including Workers' Compensation, Loss Control and Prevention, Occupational Health, Disability Management (Return-To-Work, Short-Term/Long-Term Disability, Leave of Absence), and Claims Management (Small and Property Claims, General Liability Claims, Medical Malpractice Claims);
- Track, monitor, and alert on the expiration of the insurance policy information;
- Track all expenses paid by the County and provide an interface with the County's Auditor-Controller to issue payments;
- Maintain legal confidentiality of all claim- and litigation-related information, including attorney-client and attorney work product privileges; and
- Provide cost-effective solutions for the design, development, implementation, and maintenance of the Risk Management Information System, including software, hosting services, project design, and project management.

RFP for Comprehensive Risk Management Information System (Continued)

The CEO Risk Management Branch, CEO Information Technology Services, County Counsel, Auditor-Controller, Internal Services Department, the former Chief Information Office, and other stakeholders collaboratively developed an RFP seeking vendor-hosted, Software-as-a-Service (SaaS) solutions to provide a robust claims system that will provide a consolidated view of risk which will allow the County to make fact-based risk management decisions.

In seeking a vendor-hosted solution, the new Risk Management Information System will be able to leverage the latest advances in web technology while taking advantage of fully managed infrastructures that meet the County's stringent Information Technology security standards and disaster recovery requirements.

On April 14, 2016, CEO Risk Management Branch issued an RFP to solicit proposals for a contract with an organization that will develop the comprehensive Risk Management Information System. On June 8, 2016, CEO conducted a mandatory proposers' conference for the RFP in which nine (9) potential vendors attended. Proposals for the RFP are due August 25, 2016. The current RFP project timeline estimates that the projected date of the Contract award will be approximately September 2017, given Board approval.

If you have any questions, please have your staff contact Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346.

SAH:JJ
STR:AR:rn

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Chief Information Officer
Internal Services